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DEPARTMENT FOR EUR/WE

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SUBJECT: SPAIN'S OPPOSITION PARTIDO POPULAR: RAJOY FIRMLY

IN CONTROL FOR NOW, BUT MUST SHOW RESULTS

REF: MADRID 537

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- 11. (U) Mariano Rajoy, the embattled head of Spain's main opposition Partido Popular (PP), was re-elected as party leader on June 21 during the three-day PP congress held in Valencia. As reported in REFTEL, Rajoy's leadership had been challenged on several fronts since his party lost a second straight national election to President Zapatero's Spanish Socialist Workers Party (PSOE) and it was unclear if he would be able to hold on to power. Over the past few weeks, would-be challengers found insufficient support for their candidacy to unseat Rajoy and faded back into the woodwork, leaving Rajoy to run unopposed. He further distanced himself from the shadow of former President Jose Maria Aznar by announcing a younger, more moderate party secretariat on June 19 that won plaudits from even left-leaning national newspapers, and now appears to be basking in the glory of a successfully-completed party congress. However, many in Spain believe Rajoy has overcome only the first in a long series of leadership battles in advance of the next round of national elections in 2012, and he will need to show positive results in off-year regional and European elections if he hopes to have a third consecutive chance to grab the brass ring of the Spanish presidency.
- 12. (U) Approximately 3,025 PP delegates gathered from 20-22 June in the seaside city of Valencia, Spain, to approve the party's political platform for the next four years, under the motto "We Grow Together." Over 84% of these delegates voted for Rajoy to continue as party leader. This vote tally was the lowest of any PP leader since the party was reformed in 1989, but should serve to silence critics for now. Rajoy was coming off a tough 100-day period following the March 9 election loss and had to deal with tumult and dissension in his party's ranks and open criticism from staunch PP members such as Madrid Regional President Esperanza Aguirre, former Interior Minister Jaime Mayor Oreja, Congressional foreign policy spokesman Gustavo Aristegui, party communications secretary Gabriel Elorriaga, and PP campaign strategist Juan Costa. In addition, the popular leader of the PP's political allies in the Basque Country, Maria San Gil, stated publicly in May that she had lost confidence in the leadership of Rajoy and his team. Nevertheless, opposition to Rajoy proved to be a mile wide and an inch deep and faded away once it became clear that no single alternative candidate had enough support to overthrow the sitting leader.

//COMMENT//

13. (SBU) Rajoy appears to have put to rest for the time being any doubts about his PP leadership, and his new team is receiving generally positive reviews from across the political spectrum. Pundits are highlighting not only the

collective experience and competence of the group gained from positions at the local, regional, and national levels, but also their backgrounds (including a single working mother) designed to present a more moderate face and hopefully appeal to a wider swath of Spanish voters. We believe Rajoy is definitely strengthened coming out of the party conference and has a mandate to reform the party in his own image--but his new team will be expected to achieve results quickly if he hopes to lead the party's national ticket in 2012. As we have reportedly previously, we believe Rajoy owes his longevity as much as anything to the lack of a credible successor within his own party, but many are waiting in the wings should he stumble again. Key off-year elections are coming up in the Basque Country (scheduled for early 2009), Galicia (June 2009), and the European Parliament (June 2009), and PP supporters will demand to see positive results as reward for having remained patient while Rajoy finds his way.

//RAJOY'S NEW TEAM - BIO NOTES//

¶4. (U) Maria Dolores de Cospedal Garcia (PP Secretary General, replaces Angel Acebes): The current party president in the state of Castilla La Mancha (elected in 2006), Cospedal is the first female to hold the position of PP Secretary General. She was born in Madrid in 1965 and holds a law degree from the private university of San Pablo-CEU. Cospedal began her political career in 1996 when she was appointed Executive Advisor to the Minister of Labor and served until 1998 when she left to serve as the Labor Attache at the Spanish Embassy in Washington. From 1999 until 2004, she held different jobs within the Ministry of Labor and Social Affairs, and later the Ministry of Interior. She has worked with Esperanza Aguirre in the Madrid Regional government and the two reportedly maintain good relations.

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Under Cospedal's leadership, the Partido Popular in Castilla-La Mancha has grown stronger and is narrowing the electoral gap with the Socialists. Cospedal is a single mother with one son, and reportedly likes classical music, ballet, painting, and reading.

- 15. (U) Esteban Gonzalez Pons (PP vice secretary for communication, replaces Gabriel Elorriaga): Born in Valencia in 1964, Gonzalez Pons is the PP leader in Valencia whose party during the March 9 election did much better in that region than the Socialist list led by current Vice President Maria Teresa Fernandez de la Vega. He began his political career in the early 1990s and in 1993 became the youngest Spanish senator ever elected (29 years old). From 2003-2004 he served in the Valencia Regional government as the Minister of Culture, Education, and Sports. He is considered a rising star in the party and is close to current Valencia Regional President Francisco Camps. He is married to Piluca Bertolin and the couple are expecting a baby girl in July 2008. He and his wife have a total of five children from previous marriages.
- 16. (U) Ana Mato (PP vice secretary for organization and the electorate, replaces Sebastian Gonzalez): Born in Madrid in 1959 with a degree in Sociology and Political Sciences, Mato has been involved with the PP and its predecessor party since 1984 and remains close to former President Aznar. From 1991 until 1993, she was a member of the regional congress of Castilla y Leon, and served in the national congress from 1993-2004. She served in the European Parliament beginning in 2004, until Rajoy brought her back to Spain and put her high on his Madrid electoral list during the March 9 national elections. Mato is married and has three children.
- 17. (U) Javier Arenas (PP vice secretary for territory, new position): The current president of the PP in Andalucia was born in Seville in 1957 and has a law background and an MBA. Arenas has been affiliated with Spain's center right parties since democracy was restored in 1979, and entered national

politics in 1989 when he was elected on a PP list from Sevilla. After the 1993 general elections, Aznar sent him back to Andalucia to rebuild the party there and he immediately produced results, if not an outright win, in the famed PSOE stronghold. During the first Aznar government in 1996, he served as Minister of Labor and Social Affairs, and later as Minister of Public Administration in 2002. He also held high-profile posts as PP Secretary General and in 2003 as Second Vice President of the Spanish government. Since 2004, he has again been the head of the PP in Andalucia and continues to narrow the electoral distance with the PSOE. He is married to Macarena Olivencia and has three children. AGUIRRE